

**6,672,000m<sup>2</sup>**

Take-up (cum.)

YoY  
Change

12-Month  
Forecast

**€7.80\***

Prime Avg. Rent, €/m<sup>2</sup>/month

**3.60%\***

Prime Avg. Yield

\*Average of prime over five major markets  
Prime Yield = Net Initial Yield

### ECONOMIC INDICATORS

**0.7%**

GDP Growth  
(Q3 2022 vs. Q3 2021)

**94.5**

Business Climate  
Sentiment: Current  
Situation (Sep 2022)

**75.2**

Business Climate  
Sentiment: Expectations  
(Sep 2022)

Source: Moody's Analytics, ifo institute, Index:  
2015=100

### GERMAN ECONOMY HEADS FOR RECESSION

According to leading economic research institutes, the German economy is heading directly into recession. Russia's attack on Ukraine and the resulting crisis on the energy markets with high prices and high levels of uncertainty about the energy supply is undermining the economy. The inflation rate has jumped in recent months - driven by substantial price increases, especially for energy products and food - and was at 8.9% in September compared to a year earlier, according to Moody's Analytics. The mood in the German economy has deteriorated significantly. The ifo index reflecting companies' assessment of their current situation stood at 94.5 points in September 2022 while business expectations for the coming months fell by 19.3 points. The negative business expectations in industry and trade are expected to lead to a declining demand for logistics services.

### RECORD TAKE-UP - DESPITE SLOWING MOMENTUM IN THE 3RD QUARTER

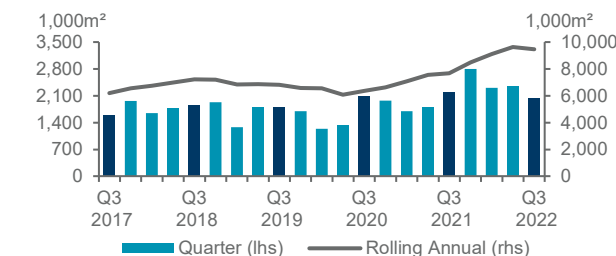
Although market participants in Germany are facing a difficult environment, there have been hardly any negative effects on the letting market for logistics and industrial space so far. Currently, user demand remains high, which is partly due to reshoring in the industrial sector. New leases and owner-occupancy generated 6.67 million m<sup>2</sup> of logistics, warehouse and industrial take-up in the first nine months of 2022. Of this, 2.022 million m<sup>2</sup> of space was transacted in the past three months - this corresponds to around 12% less than in Q1 and 14% less than in Q2. Despite these signs of a slowdown in market activity in Q3, the Q1-Q3 result represents an increase of 17% compared to the same period last year and also marks a new high for the first three quarters of any year.

The investment transaction volume for logistics and industrial properties amounted to €7.92 billion in the first nine months, including €2 billion in the third quarter. The result for the first three quarters is 38% above last year's equivalent figure and also sets a new record.

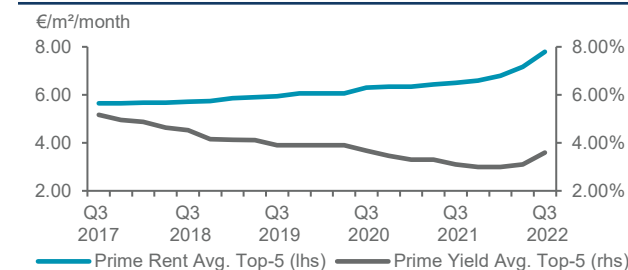
### INCREASE IN PRIME RENTS AND PRIME YIELDS

The average level of logistics prime rents in Germany has risen by 26% in the 12 months to the end of September and by 20% in the top-5 markets. The prevailing shortage of space and exploding construction costs are the drivers for this. In Q3 2022, €7.00/m<sup>2</sup>/month was achieved in Berlin and €9.00/m<sup>2</sup>/month in Munich. The prime yield, after a long, continuous compression phase lasting until the end of Q1 2022, jumped by 50 basis points in the 3rd quarter to 3.60% in the top-5 markets at the end of September. The reason for this is the significant increase in borrowing costs and volatility in the interest rates triggering uncertainty in the market.

### INDUSTRIAL TAKE-UP



### INDUSTRIAL RENTS & YIELDS



### MARKET STATISTICS

Markets	Prime Rent*	Change YoY	Outlook YE 2022	Prime Yield	Change YoY	Outlook YE 2022
Berlin	7.00	23%	Up	3.60%	50 bps	Up
Düsseldorf	7.50	34%	Up	3.60%	50 bps	Up
Frankfurt	7.75	14%	Up	3.60%	50 bps	Up
Hamburg	7.75	17%	Up	3.60%	50 bps	Up
Munich	9.00	15%	Up	3.60%	50 bps	Up
Top-5 Markets	7.80	20%	Up	3.60%	50 bps	Up
Other Markets	6.46	32%	Up	3.86%	50 bps	Up
Germany	7.02	26%	Up	3.75%	50 bps	Up

\*Rental rates reflect Euro per m<sup>2</sup> per month, Germany top-5 and Germany totals reflects average of prime of included markets

### SELECTED LEASE TRANSACTIONS Q3 2022

Property	Cluster	Tenant	m <sup>2</sup>	Type
Logistics center, Bremerhaven	Bremen	AP Moeller Maersk AS	70,000	Pre-let, completion Q2 2024
Logistics center, Sülzetal	Magdeburg	BLG	65,000	New let, completion Q3 2022
Distribution center, Bernburg (Saale)	Magdeburg	Avnet EMG	61,700	Owner occupation, completion Q1 2024
Logistics center "Erfurt B", Erfurt	Erfurt	Hermes Fulfilment	52,000	Pre-let, completion Q4 2022

### SELECTED SALES TRANSACTIONS Q3 2022

Property	Cluster	Seller / Buyer	m <sup>2</sup>	Price (€ million)
MultiBusinessHub Mittelrhein, Polch	Koblenz	Lang & Cie. / Allianz RE	67,000	confidential
Logistics center, Kerpen	Kölner Bucht	Dietz AG / ABG Capital	59,400	~ 115
Logistics Park, Lichtenfels	outside	Private / Uniresta	40,000	confidential

### SELECTED CONSTRUCTION COMPLETIONS Q3 2022

Property	Cluster	Major Tenants	m <sup>2</sup>	Owner / Developer
Mach 2 Four Parx Logistics Park, Hamburg	Hamburg	Airbus, Jysk	123,000	AEW / Four Parx
Logistics center P&C, Bedburg	Kölner Bucht	Peek & Cloppenburg	64,200	Horn Grundbesitz
Logistics center Hildener Tor, Hilden	Duisburg/ Niederrhein	Rhenus Home Delivery	43,200	LogProject

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